

The Director of Central Intelligence

Washington, D.C. 20505

20 MAY 1977

Dear Mr. Buxton,

Your editorial of April 24, "CIA Report a Cooked-Up Job," which referred to our recent report on the "International Energy Situation," has just come to my attention. I take considerable issue with your allegation that there was a "fraudulent air" about the analysis we presented to the President.

CIA has been involved in analyzing the strategic aspects of the world energy situation as part of its intelligence mission since its establishment some 30 years ago. Originally the concentration was on Communist nations, but as the world energy shortage and higher prices developed in the 1970's our analytical work in this area was extended to cover other parts of the world.

CIA's role in analyzing world energy trends is well known by U.S. industry, the trade press and international agencies concerned with this subject. Indeed, every other week the CIA issues a widely distributed, unclassified statistical survey, "International Oil Developments," through the Document Expediting Project of the Library of Congress.

The particular study to which you have referred was started over a year ago. The President did not know of it until a few days before he mentioned it at his press conference. That's why I take exception to your remark that "the CIA's warning of future oil shortages was a cooked-up job, even though its general thrust was correct."

I also cannot agree with your allegation that CIA "managed to inject" a "pessimistic tone" to its report for the dramatic purpose of a "sales pitch." Our analysts jealously protect their objectivity, and neither I nor they would manipulate a report to support a government policy. To do so would make a travesty of our entire analytical process, which is designed to provide the President and the policymakers of our government with objective and accurate analyses and estimates.

As for Mr. Carter's mentioning the report and its subsequent declassification and release, I believe the intelligence community should make more information available to the public on an unclassified basis. The public deserves to benefit from our work to the extent possible within the bounds of necessary secrecy.

The public should have as much objective information as possible on issues such as the energy situation, and we will continue to declassify such reports on a variety of subjects whenever possible.

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CIA Report a Cooked-Up Job

From the very moment it was "leaked" to the news media, the report of the Central Intelligence Agency (CIA) on worldwide oil shortages and anticipated sizable price increases by 1985 had a fraudulent air about it.

This was disturbing, insofar as President Carter a few days later made the CIA assessment the foundation of what was to become a week-long sales pitch for a comprehensive U.S. energy conservation policy.

Few Americans doubt that Mr. Carter's motives were pure or that the American profligacy in energy consumption must somehow be curbed. But to base his appeal on what was purported to be a fresh and detailed CIA look at global energy reserves was unquestionably a wrong tactic.

Sparking the initial suspicion that the CIA figures might not be all that revealing was the fact that they roughly conformed to those of two respected Paris-based organizations, the International Energy Agency and the Organization for Economic Cooperation and Development (OECD).

However, despite using the same basic assumptions as the International Energy Agency and the OECD, the CIA managed to inject a considerably more pessimistic tone into its report. This pessimism, it was acknowledged, was done for a purpose: to provide a dramatic background for Mr. Carter's presentation.

In fact, Mr. Carter described the report (three days before his first televised appeal to the nation) as being "deeply disturbing."

Ralph Nader immediately questioned the CIA's informational authenticity, maintaining

that the data incorporated in the report probably came from such vested interests as the oil companies. But not many Americans pay much attention to Mr. Nader any more and his hunch was downplayed.

Now, however, comes the revelation that the CIA's warning of future oil shortages was a cooked-up job — even though its general thrust was correct. According to the Wall Street Journal, U.S. energy officials belatedly concede that the report released by the White House contained nothing new. In fact, all of the information utilized had been published previously; none of it deserved a "secret" label. It had simply been rearranged within a drab framework.

Subsequent to Mr. Carter's series of appeals to the American people, the White House announced it is considering a public service advertising campaign to keep hammering on the President's energy message: we face a crisis and it must be resolved. Carter aides have asked the Advertising Council, which conducts public service campaigns, to present suggestions for broadcast and print commercials on the gravity of the energy problem.

This is all well and good. After all, no American in his right mind would question the need and inevitability of energy conservation.

But if Mr. Carter is to push his program through a balky Congress, he'll need the support of the people, to whom any advertising campaign would presumably be directed.

This task can be complicated by such tactics as the presentation of the CIA's dull recital as high drama instead of hackneyed fact.